



## Consolidated Financial Results for the Fiscal Year Ending September 30, 2021 (FY9/21) [IFRS]

November 12<sup>th</sup>, 2021

Company name: AirTrip Corp. Stock Exchange Listing: TSE  
 Stock code: 6191 URL <https://www.airtrip.co.jp/en/>  
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 Scheduled date of filing of financial statement report: December 27<sup>th</sup>, 2021 Scheduled date of payment of dividend: —  
 Preparation of supplementary materials for financial results: : Yes  
 Holding of quarterly financial results briefing: : Yes (for institutional investors and securities analysts)

(All amounts are rounded down to the nearest million yen)

### 1. Consolidated Financial Results for FY9/21 (October 1<sup>st</sup>, 2020 to September 30<sup>th</sup>, 2021)

#### (1) Consolidated results of operations

(Percentages represent year-on-year changes)

|                                | Net sales   |       | Operating income |   | Profit before income taxes |   | Profit      |   | Profit attributable to owners of parent company |   | Total comprehensive income |   |
|--------------------------------|-------------|-------|------------------|---|----------------------------|---|-------------|---|---|---|----------------------------|---|
|                                | Million yen | %     | Million yen      | % | Million yen                | % | Million yen | % | Million yen                                     | % | Million yen                | % |
| Fiscal Year Ended Sep 30, 2021 | 17,662      | △16.8 | 3,158            | - | 3,059                      | - | 2,555       | - | 2,361   | - | 2,549                      | - |
| Fiscal Year Ended Sep 30, 2020 | 21,241      | △12.6 | △8,994           | - | △9,190                     | - | △8,825      | - | △8,692  | - | △8,834                     | - |

|                                | Profit per share | Fully diluted profit per share | Return on equity | Return on assets | Operating income margin |
|--------------------------------|------------------|--------------------------------|------------------|------------------|-------------------------|
|                                | Yen              | Yen                            | %                | %                | %                       |
| Fiscal Year Ended Sep 30, 2021 | 111.61           | 108.96                         | 49.8             | 14.0             | 17.8                    |
| Fiscal Year Ended Sep 30, 2020 | △433.80          | △433.80                        | △148.5           | △28.8            | △36.5                   |

(Reference) Equity in net income of affiliates Fiscal Year Ended Sep 30, 2021 17 Million Yen Fiscal Year Ended Sep 30, 2020 — Million Yen

(Note) HIKAWA CO., LTD. was excluded from consolidation in the fourth quarter of the Fiscal Year Ending September 30<sup>th</sup> 2020, so the business from the company is classified as a discontinued business. As a result, net sales, operating income and profit before income represent the amount of continuing business excluding discontinued business.

#### (2) Consolidated financial position

|                                | Total Assets | Total equity | Equity attributable to owners of parent company | Ratio of equity attributable to owners of parent company | Equity attributable to owners of parent company per share |
|--------------------------------|--------------|--------------|---|--|---|
|                                | Million yen  | Million yen  | Million yen                                     | %  | Yen   |
| Fiscal Year Ended Sep 30, 2021 | 21,377       | 8,211        | 7,498   | 35.0   | 335.58  |
| Fiscal Year Ended Sep 30, 2020 | 21,940       | 2,538        | 1,983   | 9.0  | 92.20   |

#### (3) Consolidated cash flow position

|                                | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents at end of period |
|--------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--|
|                                | Million yen                          | Million yen                          | Million yen                          | Million yen                                |
| Fiscal Year Ended Sep 30, 2021 | 4,190                                | △804                                 | △1,760                               | 8,771                                      |
| Fiscal Year Ended Sep 30, 2020 | △559                                 | 256                                  | △1,643                               | 7,042                                      |

### 2. Dividends

|  | Dividend per share |        |        |          |       | Total dividends (Annual) |
|--|--------------------|--------|--------|----------|-------|--------------------------|
|  | 1Q-End             | 2Q-End | 3Q-End | Year-end | Total |                          |
|  | Yen                | Yen    | Yen    | Yen      | Yen   | Million yen              |
| Fiscal Year Ended Sep 30, 2020             | —                  | 0.00   | —      | 10.00    | 10.00 | 204                      |
| Fiscal Year Ended Sep 30, 2021             | —                  | 0.00   | —      | 10.00    | 10.00 | 221                      |
| Fiscal Year Ended Sep 30, 2022 (Estimated) | —                  | —      | —      | —        | —     |                          |

(Note) At this time, the expected dividend for the fiscal year ending September 2022 is undecided.

### 3. Full year consolidated financial forecast for FY9/22 (October 1<sup>st</sup>, 2021 to September 30<sup>th</sup>, 2022)

(Percentages represent year-on-year changes.)

|                                | Net sales   |        | Operating income |       | Profit before income taxes |       | Profit attributable to owners of parent company |       | Profit per share |
|--------------------------------|-------------|--------|------------------|-------|----------------------------|-------|---|-------|------------------|
|                                | Million yen | %      | Million yen      | %     | Million yen                | %     | Million yen                                     | %     | Yen              |
| Fiscal Year Ended Sep 30, 2022 | 13,000      | △26.3% | 1,000            | △68.3 | 940                        | △69.2 | 700   | △70.3 | 31.66            |

(Note) In view of the uncertain socio-economic situation, we have a conservative business forecast that does not include upside factors such as the profit contribution by domestic travel's recovery with GoTo Travel, the recovery of overseas travel, the recovery of tourists visiting Japan, and the contribution of investment business.

※ Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in : Yes changes in scope of consolidation)

Newly included — Company — 、 Excluded 2 companies (Company Name) National Ryutsu Sangyo Co., Ltd., PikaPaka Corp.

(2) Changes in accounting policies and accounting-based estimates, and restatements

① Change of the accounting policy required under IFRS : None

② ①Changes in accounting policies other than (1) : None  
above

③ Changes in accounting-based estimates : None

(3) Numbers of outstanding shares (common stock)

① Number of shares outstanding as of the end of the period (including treasury shares)

|                            |                   |                            |                   |
|----------------------------|-------------------|----------------------------|-------------------|
| Fiscal Year Ended Sep 2021 | 22,107,965 Shares | Fiscal Year Ended Sep 2020 | 20,419,800 Shares |
|----------------------------|-------------------|----------------------------|-------------------|

② Number of treasury shares as of the end of the period

|                            |            |                            |          |
|----------------------------|------------|----------------------------|----------|
| Fiscal Year Ended Sep 2021 | 271 Shares | Fiscal Year Ended Sep 2020 | — Shares |
|----------------------------|------------|----------------------------|----------|

③ Average number of shares issued during the period

|                            |                   |                            |                   |
|----------------------------|-------------------|----------------------------|-------------------|
| Fiscal Year Ended Sep 2021 | 21,156,494 Shares | Fiscal Year Ended Sep 2020 | 20,037,966 Shares |
|----------------------------|-------------------|----------------------------|-------------------|

(Reference) Summary of non-consolidated business results

1. Non-consolidated financial results for the fiscal year ended September 30, 2021 (October 1st 2020 to September 30th 2021)

(1) Non-consolidated results of operations

(Figures in percentages denote the year-on-year change.)

|                            | Net Sales   |       | Operating income |       | Ordinary income |       | Profit      |        |
|----------------------------|-------------|-------|------------------|-------|-----------------|-------|-------------|--------|
|                            | Million yen | %     | Million yen      | %     | Million yen     | %     | Million yen | %      |
| Fiscal year ended Sep 2021 | 7,895       | 72.8  | 1,548            | —     | 1,499           | —     | 2,051       | —      |
| Fiscal year ended Sep 2020 | 4,568       | △23.2 | △444             | △36.4 | △474            | △39.0 | △6,820      | △766.6 |

|                            | Profit per share | Fully diluted profit per share |
|----------------------------|------------------|--------------------------------|
|                            | Yen              | Yen                            |
| Fiscal year ended Sep 2021 | 96.95            | 94.63                          |
| Fiscal year ended Sep 2020 | △340.38          | —                              |

(2) Non-consolidated financial position

|          | Total assets | Net assets  | Equity ratio | Net assets per share |
|----------|--------------|-------------|--------------|----------------------|
|          | Million yen  | Million yen | %            | Yen                  |
| 2021年9月期 | 12,822       | 5,495       | 42.8         | 247.74               |
| 2020年9月期 | 11,020       | 389         | 3.5          | 17.86                |

(Reference) Shareholders' equity Fiscal Year ended Sep 2021 5,495 Million yen Fiscal Year ended Sep 2020 389 Million yen

※ The current quarterly financial report is exempt from the quarterly review procedures performed by certified public accountants or audit corporations.

※ Explanation of appropriate use of earnings forecasts, and other special items

The full year forecast for the fiscal year ending September 30, 2020, above includes the Company's forecast based on plans for the year, as well as assumptions and predictions regarding the Company's future as of the day these materials have been made public. Items concerning the future of the Company are based on information currently in the Company's possession and certain assumptions judged to be rational. They do not represent a firm commitment by the Company. The forecast may differ greatly from financial results due to a number of causes over the year, including changes in economic conditions, changes in client needs and user tastes, competition with other companies, changes to laws and regulations, and changes in exchange rates. Please see [Attachment] Page 9 "1. Consolidated Results of Operations Etc., (5) Future Prospect" for more about the results forecast

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## 1. Consolidated Results of Operations

### (1) Overview of Consolidated Results of Operations

|   | (Unit: Million yen) |        |             |                           |
|---|---------------------|--------|-------------|---------------------------|
|   | FY9/20              | FY9/21 | Differences | Percentage difference (%) |
| <b>Consolidated Results of Operations</b>             |                     |        |             |                           |
| Net sales   | 21,241              | 17,662 | △3,579      | △16.8                     |
| Operating income (Loss)                               | △8,994              | 3,158  | 12,153      | -                         |
| Profit before income taxes (Loss)                     | △9,190              | 3,059  | 12,249      | -                         |
| Profit attributable to owners of parent company(Loss) | △8,692              | 2,361  | 11,053      | -                         |

((Note) HIKAWA Co., Ltd. was excluded from the current consolidated fiscal year, so the company's business is classified as a discontinued business. Therefore, net sales; operating income; profit before income taxes and profit attributable to owners of parent company represent the amount of continuing business excluding discontinued business

In Japan's economy during the current consolidated cumulative period, due to COVID-19 crisis, that has continued since last year, measures such as restrictions on overseas travel and prohibition of going out have been taken in many countries, and global travel demand has stagnated. The current situation is that the future is uncertain due to sluggish economic activity. We are closely observing future market trends as well as changes in the COVID 19 situation.

Under these circumstances, the Company has been working on various measures and cost reduction measures since the previous fiscal year as part of the diversification and restructuring of the business portfolio within the group toward the "restart" of the Airtrip Group. As these results continue to be achieved, all existing businesses, excluding the overseas travel area, performed well.

In terms of revenue for the current fiscal year, the spread of COVID 19 crisis worldwide and each country's measures to prevent the COVID 19 crisis in have had a major impact on the online travel business and the IT offshore development business. The online travel business decreased 17.1% to 15,570 million yen compared to previous fiscal year, and the IT offshore development business decreased 28.5% to 1,348 million yen compared to previous fiscal year. On the other hand, in the investment business, the transfer of the shares associated with the initial public offering of our IPO project's investee resulted in an increase 32.3% to 738 million yen compared to previous fiscal year. Based on the above, revenue for the current fiscal year decreased 16.8% to 17,662 million yen compared to previous fiscal year.

Operating income for the current fiscal year was affected by the decline in sales revenue due to the spread of COVID 19 crisis, but the effects of measures such as cost reduction taken as part of the diversification and restructuring of the business portfolio had a significant impact. In the online travel business, operating profit increased by 10,106 million yen to 2,561 million yen, compared to the previous fiscal year, in the IT offshore development business, operating profit increased by 518 million yen to 519 million yen compared to the previous fiscal year, and in the investment business, operating profit was 820 million yen, increased 1,067 million yen, compared to the previous fiscal year.

## (2) Overview of Segment Business

### Online Travel Business

|                        | (Unit: Million yen) |        |             |                           |
|------------------------|---------------------|--------|-------------|---------------------------|
|                        | FY9/20              | FY9/21 | Differences | Percentage difference (%) |
| Net Sales              | 18,794              | 15,570 | △3,224      | △17.1                     |
| Segment profit or loss | △7,544              | 2,561  | 10,106      | —                         |

#### 1. AirTrip Travel Business

Since our founding, as a company specialized in online travel, we have been providing convenient services to customers. We are developing the following services centered on our 3 strengths: “Buying Power”, “Various sales channel”, “System Development Ability”.

##### (1) BtoC services (Directly managed by our company)

We have achieved strong competitiveness by handling the largest volume of domestic airline tickets of the and making alliances with the airlines and East Japan Railway Company. We are operating "AirTrip", a website where you can easily compare and reserve domestic and overseas travel products. We are even more focusing on making the website easier to use and providing our customers the best travel options.

##### (2) BtoBtoC services (Travel Contents OEM Provision)

We provide domestic airline tickets / travel, overseas airline tickets / hotel to other companies' mass media as travel content. We have increased the content lineup and helped improving media users' customer satisfaction.

##### 3) Business travel management (BTM)

"AirTrip BTM" arranges tickets for daily business trips and develops an efficient management business system. This system is now free for any company with needs of business trip. Direct cost + indirect has been reduced

#### 2. Services for foreign visitors in Japan

We are quickly developing the know-how accumulated in the AirTrip travel business as a service for foreigners' visitors in Japan and a service for private lodging management companies.

##### (1) Wi-Fi rental for foreign visitors in Japan

Inbound Platform Corp., a subsidiary of AirTrip, develops Wi-Fi router rental service for foreign visitors in Japan. With over 200,000 rentals, we have established a brand with many years of trust and good review. In addition to renting camper vans, we are planning to expand services to meet inbound demand.

##### (2) Dynamic package for foreign visitors in Japan

For the increasing number of individual tourists from Southeast Asia, we will strengthen our support for each country's language. At first, we prepare information about hotels and inns in Japan in Thai language, and provide them on the "Dynamic Package for foreigners' first visit to Japan" sold by JALPAK Co., Ltd. We are also improving sales promotion environment for other countries' visitors to Japan.

##### (3) One-stop service for private lodging hosts

To utilize vacant houses, which are currently increasing year by year in Japan, "AirTrip stay Co., Ltd." is proposing the operation of rooms in accordance with the Housing Accommodation Business Law. Among the increasing number of foreign visitors to Japan, we have become Japan's first official partner with "Airbnb"; the app is used by 1 in 5 people. We provide one-stop support from property registration to property management, and we are planning to expand the service.

#### 3. Media Business

In collaboration with MagMag Co., Ltd., one of our subsidiaries with the slogan "Telling things you want, to people want to hear", we have developed a channel to collect content from creators from all over the world and deliver it to those who feel that information

valuable. You can subscribe on article basis with “mine”, including "Magmag!", a free and paid e-mail newsletter distribution service. We also operate WEB media "MAG2 NEWS", "MONEY VOICE", "TRiP EDiTOR", and "by them" which can discover contents and deliver them to many people who want to know.

In the current consolidated fiscal year, segment revenue of the online travel business was 15,570 million yen and segment income achieved 2,561 million yen.

#### IT Off-shore Development Business

|                        | (Unit: Million yen) |        |             |                           |
|------------------------|---------------------|--------|-------------|---------------------------|
|                        | FY9/20              | FY9/21 | Differences | Percentage difference (%) |
| Net Sales              | 1,888               | 1,348  | △540        | △28.6                     |
| Segment profit or loss | 0                   | 519    | 519         | 67,703.6                  |

In the IT Offshore Development Business segment, the Group offers lab-type facility development services to customers consisting mainly of e-commerce operators, web solution providers, and game and system developers in Ho Chi Minh, Hanoi, and Da Nang in Vietnam.

The Company's lab-type facility development model is distinctive in that a team is formed with new dedicated staff members hired for each customer. The model also enables customers to confirm the state of lab-type facility development on demand.

Net Sales in the IT offshore development business segment for the current consolidated fiscal year was 1,348 million yen, and segment profit was 519 million yen.

## Investment Business

|                | FY9/20 | FY9/21 | Differences | (Unit: Million yen)<br>Percentage<br>difference (%) |
|----------------|--------|--------|-------------|---|
| Net Sales      | 558    | 738    | 180         | 32.3  |
| Segment Profit | △247   | 820    | 1,067       | —   |

In the Investment Business segment, the Group emphasizes synergies with the existing businesses and expands service lines through aggressive M&A and capital alliances. The Group is pursuing investment in growing companies to improve profitability. In the current fiscal year, we have expanded the number of investees to 66 companies.

In the current consolidated fiscal year, segment Net Sales of the investment business was 738 million yen and segment profit was 820 million yen.

### (3) Operational Measures for the current consolidated fiscal year

#### Risk Impact of the Group regarding the spread of the COVID-19 crisis

The spread of COVID 19 crisis worldwide since the previous consolidated fiscal year and each country's measures to prevent COVID 19 crisis have had a significant impact on the AirTrip travel business, revenue decreased by 16.8%, as 17,662 million yen compared to previous fiscal year. Although operating income for the current consolidated fiscal year has increased due to the diversification and restructuring of the business portfolio, concerns about the sixth wave of COVID 19 crisis, the speed of recovery in travel demand, financial market conditions, etc. remain uncertain.

#### Our Group management measures against the spread of COVID-19 crisis

Although being affected by the risks to Group's business due to the spread of the above-mentioned COVID-19 crisis, we engaged in business activities while giving top priority to ensuring the safety of our stakeholders and preventing the spread of infection. such as employees and their families, individual users, clients and external cooperation partners and preventing the spread of infection. In addition, to deal with the risks effect to Group by infectious disease, we have implemented the following management measures.

##### 1. Promote business portfolio diversification and restructuring

In the current consolidated fiscal year, we have set a "restart" and are proceeding with the diversification and restructuring of our business portfolio in the Group. In addition, we are building an "AirTrip Economic Zone" by developing various businesses by utilizing the existing assets of the Group. By developing a variety of businesses with different economic sensitivities while building an "AirTrip economic zone," we will grow each business responding to risks such as the spread COVID 19 crisis, and aim to achieve "endless growth."

##### 2. Reduction of cash-out costs at the group-wide level

We have significantly reviewed variable costs and fixed costs focusing on advertising expenses, labor costs and rent expense. As a result of turning operation costs to variable cost in Online Travel business, implementing cost control in a frequent basis, and controlling rent expense by the significant shift to working from home, we have achieved reductions in selling, general and administrative expenses (SG&A expenses) in the current fiscal year and have established a system for early recovery from the next fiscal year.

##### 3. The Sale of consolidated subsidiary

Due to the impact of the the COVID-19 pandemic, the Group's main travel demand has slumped sharply, the consolidated subsidiary was sold as part of the restructuring of the Group's business and the Group's financial base has improved.

The Company has appropriately responded to the business risks that the disease cause to the Group by implementing the above measures and determined that there are no significant uncertainty concerning the Assumption of Going Concern.

#### (4) Overview of Financial Position

(Unit: Million yen)

|   | FY9/20<br>(from Oct 1st 2019<br>to Sep 30th 2020) | FY9/21<br>(from Oct 1st 2020<br>to Sep 30th 2021) | Difference | Percentage<br>difference<br>(%) |
|---|---|---|------------|---------------------------------|
| Total Assets                                  | 21,940  | 21,377  | △563       | △2.5                            |
| Total current assets                          | 15,023  | 15,653  | 630        | 4.1                             |
| Total non-current assets                      | 6,916   | 5,723   | △1,193     | △17.2                           |
| Total Liabilities                             | 19,402  | 13,166  | △6,236     | △32.1                           |
| Total current liabilities                     | 11,490  | 8,879   | △2,611     | △22.7                           |
| Total non-current liabilities                 | 7,911   | 4,286   | △3,625     | △45.8                           |
| Total Equity                                  | 2,538   | 8,211   | 5,673      | 223.5                           |
| Total equity attributable to owners of parent | 1,983   | 7,498   | 5,515      | 278.1                           |
| Non-controlling interests                     | 555   | 712   | 157        | 28.2                            |

##### (Assets)

Assets decreased by 563 million yen compared to the end of the previous consolidated fiscal year. This is mainly due to an increase of 1,728 million yen in cash and cash equivalents, a decrease of 1,006 million yen in trade receivables and other receivables, a decrease in tangible fixed assets, intangible assets and goodwill of 396 million yen, and 1,019 million of right-of-use assets.

##### (Liabilities)

Liabilities decreased by 6,173 million yen compared to the end of the previous consolidated fiscal year. This was mainly due to a decrease of 1,416 million yen in Operating payables and other operating payables, a decrease of 3,585 million yen in interest-bearing debt, and a decrease in lease liabilities of 1,062 million yen.

##### (Equity)

Equity increased 5,673 million yen compared to the previous consolidated fiscal year. This was mainly due to an increase of 3,306 million yen in issuance of new shares, and 2,555 million yen recorded in Net profit.



## (5) Future forecast

The Group's net income for the fiscal year ending September 2021 exceeded the previous consolidated fiscal year, and although there are signs of a recovery in business performance, the spread of COVID-19 crisis worldwide and the prevention measures in each country are still exist may affect future economy. The prospect for the future economy is still uncertain.

In view of the uncertain socio-economic situation, our conservative earning forecast does not include upside factors such as profit contribution from domestic travel recovery by GoTo travel, recovery of overseas travel, recovery of tourists visiting Japan, contribution of investment business, etc.

However, the AirTrip Group offers the following strategies during COVID-19 crisis and after COVID-19 crisis by developing (1) AirTrip Travel business as the main axis, (2) Travel to Japan business, (3) IT offshore development business, (4) Life Innovation business and (5) Investment business.

### 1. Reliable capture domestic travel demand by utilizing the GoTo Travel Campaign

Promote the strengthening of cooperation with government agencies, local partners and airlines, and actively utilize the destinations that stimulate domestic travel demand through the GoTo Travel Campaign, such as partial subsidies for travel prices.

### 2. Consideration large-scale promotion for mass using the recognition of the Company's brand AirTrip

Respond to new forms of travel by utilizing the AirTrip brand and promoting marketing strategies that take advantage of the influx of organic products.

### 3. Development of business corresponding to new travel and lifestyles that utilize IT literacy and development capabilities

Aim to develop new business models and services by grasping travel styles and lifestyles that are expected to change due to after COVID-19 crisis.

### 4. Preparation for listing of major group subsidiaries

MAGMAG Co., Ltd., which operates the long-established "MAGMAG!" on the distribution platform of the email magazine (e-zine), was newly listed on the JASDAQ standard on September 24th, 2020. We are also preparing for listing of other major subsidiaries of the Group, and will continue to improve the corporate value of the entire Group.

For details on the above, please refer to the November 12th, 2021 "Financial Results Material for the Fiscal Year Ended September 30, 2021" announced on the same day.

## 2. Basic concept regarding the selection of accounting standards

The Company has applied International Financial Reporting Standards (IFRS) since FY9/18 in order to improve the international comparability of financial information in the capital markets and to homogenize and improve the efficiency of financial information of group companies.

### 3. Consolidated Financial Statements and Key Notes

#### (1) Consolidated Statements of Financial Position

|  | (Unit: Million yen)             |                                 |
|--|---------------------------------|---------------------------------|
|  | FY9/20<br>(As of Sep 30th 2020) | FY9/21<br>(As of Sep 30th 2021) |
| <b>Assets</b>  |                                 |                                 |
| Current assets   |                                 |                                 |
| Cash and cash equivalents                                      | 7,042                           | 8,771                           |
| Notes and accounts receivable –<br>trade and other receivables | 2,364                           | 1,357                           |
| Inventories  | 435                             | 166                             |
| Other financial assets   | 4,359                           | 4,869                           |
| Other current assets   | 821                             | 488                             |
| Total current assets   | 15,023                          | 15,653                          |
| Non-current assets   |                                 |                                 |
| Property, plant and equipment                                  | 480                             | 362                             |
| Right-of-use assets  | 3,156                           | 2,137                           |
| Goodwill   | 1,172                           | 1,116                           |
| Intangible assets  | 1,091                           | 869                             |
| Investments accounted for using the<br>equity method           | -                               | 580                             |
| Other financial assets   | 970                             | 574                             |
| Other non-current assets                                       | 34                              | 42                              |
| Deferred tax assets  | 10                              | 40                              |
| Total non-current assets                                       | 6,916                           | 5,723                           |
| Total assets   | 21,940                          | 21,377                          |
| <b>Liabilities and equity</b>                                  |                                 |                                 |
| Liabilities  |                                 |                                 |
| Current liabilities  |                                 |                                 |
| Operating payables and other<br>operating payables             | 2,646                           | 1,229                           |
| Interest-bearing debt  | 6,185                           | 5,292                           |
| Lease liabilities  | 416                             | 343                             |
| Other financial liabilities                                    | 251                             | 241                             |
| Accrued income taxes   | 132                             | 399                             |
| Other current liabilities                                      | 1,858                           | 1,371                           |
| Total current liabilities                                      | 11,490                          | 8,879                           |
| Non-current liabilities  |                                 |                                 |
| Interest-bearing debt  | 4,842                           | 2,150                           |
| Lease liabilities  | 2,873                           | 1,883                           |
| Other financial liabilities                                    | 25                              | 20                              |
| Provisions   | 83                              | 50                              |
| Deferred tax liabilities                                       | 78                              | 171                             |
| Other non-current liabilities                                  | 7                               | 9                               |
| Total non-current liabilities                                  | 7,911                           | 4,286                           |
| Total liabilities  | 19,402                          | 13,166                          |
| Equity   |                                 |                                 |
| Capital stock  | 3,138                           | 1,529                           |
| Capital surplus  | 4,887                           | 2,013                           |
| Retained earnings  | △6,135                          | 3,887                           |
| Treasury shares  | △0                              | △0                              |
| Other items of equity  | 92                              | 68                              |
| Total equity attributable to owners of<br>parent company       | 1,983                           | 7,498                           |
| Non-controlling interests                                      | 555                             | 712                             |
| Total equity   | 2,538                           | 8,211                           |
| Total liabilities and equity                                   | 21,940                          | 21,377                          |

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income  
Consolidated Statement of Income

(Unit: Million yen)

|  | FY9/20<br>(from Oct 1st 2019<br>to Sep 30th 2020) | FY9/21<br>(from Oct 1st 2020<br>to Sep 30th 2021) |
|--|---|---|
| <b>Continuing Business</b>                       |   |   |
| Net sales  | 21,241  | 17,662  |
| Sales costs                                      | △13,736   | △10,050   |
| Gross profit                                     | 7,504   | 7,612   |
| Selling, general and administrative expense      | △9,121  | △5,248  |
| Profit from loss of control subsidiaries         | -   | 602   |
| Investment Gain/Loss (Loss)                      | △412  | 240   |
| Investment by equity methods Gain/Loss (Loss)    | -   | 17  |
| Other income                                     | 330   | 365   |
| Other expenses                                   | △7,296  | △431  |
| Operating income (Loss)                          | △8,994  | 3,158   |
| Finance income                                   | 9   | 43  |
| Finance costs                                    | △204  | △142  |
| Profit before income taxes (Loss)                | △9,190  | 3,059   |
| Corporate income tax                             | △80   | △504  |
| Quarterly income from Continuing Business (Loss) | △9,270  | 2,555   |
| <b>Discontinued Business</b>                     |   |   |
| Profit from Discontinued Business                | 445   | -   |
| Profit (Loss)                                    | △8,825  | 2,555   |
| <b>Profit attributable to (Loss)</b>             |   |   |
| Owners of parent company                         | △8,692  | 2,361   |
| Non-controlling interests                        | △133  | 193   |
| Profit (Loss)                                    | △8,825  | 2,555   |
| <b>Profit per share</b>                          |   |   |
| Profit per share                                 | △433.80   | 111.61  |
| Profit per share<br>(Loss) (Yen)                 | △456.01   | 111.61  |
| Continuing Business                              | 22.21   | -   |
| Discontinued Business                            |   |   |
| Fully diluted profit per share<br>(Loss) (Yen)   | △433.80   | 108.96  |
| Continuing Business                              | △456.01   | 108.96  |
| Discontinued Business                            | 22.21   | -   |

Consolidated Statement of Comprehensive Income

(Unit: Million yen)

|   | FY9/20<br>(from Oct 1st 2019<br>to Sep 30th 2020) | FY9/21<br>(from Oct 1st 2020<br>to Sep 30th 2021) |
|---|---|---|
| Profit (Loss)   | △8,825  | 2,555   |
| Other comprehensive income (after tax)  |   |   |
| Items that may be reclassified as profit or loss                                  |   |   |
| Equity financial assets measured at fair value through other comprehensive income | -   | -   |
| Total of items that cannot be reclassified as profit or loss                      | -   | -   |
| Items that may be reclassified as profit or loss                                  |   |   |
| Translation adjustments of foreign operations                                     | △9  | △5  |
| Cash flow hedge   | △0  | -   |
| Total of items that may be reclassified as profit or loss                         | △9  | △5  |
| Total of other comprehensive income, net of tax                                   | △9  | △5  |
| Comprehensive income  | <u>△8,834</u>                                     | <u>2,549</u>                                      |
| Comprehensive income attributable to  |   |   |
| Owners of parent company  | △8,697  | 2,358   |
| Non-controlling interests   | △137  | 190   |
|   | <u>△8,834</u>                                     | <u>2,549</u>                                      |

### (3) Consolidated Statement of Changes in Equity

FY9/20 (from Oct 1st 2019 to Sep 30th 2020)

(Unit: Million yen)

|  | Equity attributable to owners of parent company |                 |                   |                 |                       |        | Non-controlling interests | Total equity |
|--|---|-----------------|-------------------|-----------------|-----------------------|--------|---------------------------|--------------|
|  | Capital stock                                   | Capital surplus | Retained earnings | Treasury shares | Other items of equity | Total  |                           |              |
| As of October 1 <sup>st</sup> , 2019                               | 2,922   | 4,175           | 2,598             | △0              | 19                    | 9,716  | 382                       | 10,099       |
| Cumulative impact of applying new accounting standards             | -   | -               | △34               | -               | -                     | △34    | △18                       | △52          |
| Balance after retrospective restatement                            | 2,922   | 4,175           | 2,564             | △0              | 19                    | 9,682  | 363                       | 10,046       |
| Profit (Loss)  | -   | -               | △8,692            | -               | -                     | △8,692 | △133                      | △8,825       |
| Other comprehensive income   | -   | -               | -                 | -               | △4                    | △4     | △4                        | △9           |
| Total comprehensive income   | -   | -               | △8,692            | -               | △4                    | △8,697 | △137                      | △8,834       |
| Dividends of surplus   | -   | △198            | -                 | -               | -                     | △198   | -                         | △198         |
| Issuance of new shares   | 216   | 216             | -                 | -               | -                     | 432    | -                         | 432          |
| Increase (decrease) by share exchanges                             | -   | 510             | -                 | -               | -                     | 510    | -                         | 510          |
| Changes in equity by continuing control subsidiary                 | -   | 182             | -                 | -               | -                     | 182    | -                         | 182          |
| Decrease in subsidiary surplus through consolidation range changes | -   | -               | △7                | -               | -                     | △7     | -                         | △7           |
| Increase (decrease) through transfers and other changes            | -   | -               | -                 | -               | 77                    | 77     | 328                       | 406          |
| Total transactions with owners                                     | 216   | 711             | △7                | -               | 77                    | 997    | 328                       | 1,326        |
| As of September 30 <sup>th</sup> , 2020                            | 3,138   | 4,887           | △6,135            | △0              | 92                    | 1,983  | 555                       | 2,538        |

FY9/21 (from Oct 1st 2020 to Sep 30th 2021)

(Unit: Million yen)

|   | Equity attributable to owners of parent company |                 |                   |                 |                       |       | Non-controlling interests | Total equity |
|---|---|-----------------|-------------------|-----------------|-----------------------|-------|---------------------------|--------------|
|   | Capital stock                                   | Capital surplus | Retained earnings | Treasury shares | Other items of equity | Total |                           |              |
| As of October 1 <sup>st</sup> , 2020                    | 3,138   | 4,887           | △6,135            | △0              | 92                    | 1,983 | 555                       | 2,538        |
| Profit (Loss)   | -   | -               | 2,361             | -               | -                     | 2,361 | 193                       | 2,555        |
| Other comprehensive income                              | -   | -               | -                 | -               | △2                    | △2    | △2                        | △5           |
| Total comprehensive income                              | -   | -               | 2,361             | -               | △2                    | 2,358 | 190                       | 2,549        |
| Dividends of surplus                                    | -   | △204            | -                 | -               | -                     | △204  | -                         | △204         |
| Issuance of new shares                                  | 1,653   | 1,653           | -                 | -               | -                     | 3,306 | -                         | 3,306        |
| Transfer to capital surplus from capital stock          | △3,262  | 3,262           | -                 | -               | -                     | -     | -                         | -            |
| Transfer to earned surplus from capital surplus         | -   | △7,656          | 7,656             | -               | -                     | -     | -                         | -            |
| Changes in owner's equity in under-control subsidiaries | -   | 69              | -                 | -               | -                     | 69    | -                         | 69           |
| Acquisition of treasury stock                           | -   | -               | -                 | △0              | -                     | △0    | -                         | △0           |
| Increase (decrease) through transfers and other changes | -   | 2               | 4                 | -               | △20                   | △14   | △33                       | △47          |
| Total transactions with owners                          | △1,609  | △2,873          | 7,660             | △0              | △20                   | 3,156 | △33                       | 3,123        |
| As of September 30 <sup>th</sup> , 2021                 | 1,529   | 2,013           | 3,887             | △0              | 68                    | 7,498 | 712                       | 8,211        |

## (4) Consolidated Statement of Cash Flows

(Unit: Million yen)

|  | FY9/20<br>(from Oct 1st 2019 to Sep 30th<br>2020) | FY9/21<br>(from Oct 1st 2020 to Sep<br>30th 2021) |
|--|---|---|
| Cash flows from operating activities   |   |   |
| Profit (Loss) before tax   | △8,671  | 3,059   |
| Depreciation and amortization expense  | 1,608   | 812   |
| Investment Gain/Loss   | 412   | △240  |
| Negative goodwill  | △755  | -   |
| Impairment losses  | 6,991   | 285   |
| Profit from loss of control subsidiaries   | -   | △602  |
| (Increase) decrease in trade and other receivables   | 1,887   | △118  |
| Increase (decrease) in trade and other payables  | △2,017  | 72  |
| Decrease (increase) in investment securities for sale  | △688  | △248  |
| Others   | 1,041   | 688   |
| Subtotal   | △190  | 3,708   |
| Interest and dividend income received  | 9   | 3   |
| Interest expenses paid   | △180  | △149  |
| Income taxes paid or return  | △198  | 628   |
| Cash flow from operating activities  | △559  | 4,190   |
| Cash flows from investing activities   |   |   |
| Purchase of property, plant and equipment  | △220  | △156  |
| Proceeds from sales of property, plant and equipment   | -   | 316   |
| Purchase of intangible asset   | △600  | △357  |
| Payments for purchases of investment in securities   | △69   | △239  |
| Payments of leasehold deposits   | -   | △16   |
| Proceeds from withdraw deposits  | 126   | 20  |
| Proceeds from withdrawal of time deposits  | 163   | -   |
| Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation | 553   | -   |
| Purchase of shares of subsidiaries resulting in change in scope of consolidation               | △283  | -   |
| Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation     | 742   | -   |
| Purchase from sale of shares of subsidiaries resulting in change in scope of consolidation     | -   | △336  |
| Payments for transfer of business  | △150  | -   |
| Others   | △4  | △34   |
| Cash flows from investing activities   | 256   | △804  |
| Cash flows from financing activities   |   |   |
| Net increase (decrease) in short-term loans payable  | △1,301  | △1,300  |
| Proceeds from long-term loans payable  | 449   | 664   |
| Repayments of long-term loans payable  | △2,044  | △1,573  |
| Proceeds from issuance of corporate bond   | 991   | -   |
| Proceeds from issuance of common shares  | 432   | 883   |
| Repayments of lease obligations  | △499  | △409  |
| Proceeds from changes in ownership   | 89  | -   |
| Proceeds from paid of non-controlling interests  | 424   | 179   |
| Dividends paid to owners of the parent company   | △197  | △203  |
| Others   | 11  | △0  |
| Cash flows from financing activities   | △1,643  | △1,760  |
| Effect of exchange rate change on cash and cash equivalents                                    | △13   | 60  |
| Net increase (decrease) in cash and cash equivalents   | △1,960  | 1,686   |
| Cash and cash equivalents at the beginning of the year   | 8,997   | 7,042   |
| Cash and cash equivalents from newly consolidated subsidiaries                                 | 5   | -   |
| Cash and cash equivalents at end of year   | 7,042   | 8,771   |

(5) Notes on going concern assumptions

Not applicable.

(6) Notes to Consolidated Financial Statements

(Segment information, etc.)

(1) Summary of reportable segments

The Company's reportable segments are its business units that have separate financial information available and that are subject to periodical examinations by the Board of Directors for the purpose of determining the allocation of management resources and evaluating performance.

Under its "One Asia" vision, the Group aims to serve as a bridge connecting various opportunities and engineers in Asia. With the Online Travel Agency Business, IT Offshore Development Business and Investment Business as its three mainstay businesses, the Group classifies these businesses, with their highly unique business models, as its main reportable business segments and draws up and determine Group strategies accordingly.

The businesses and main products belonging to each reportable segment are as follows:

|                                  |   |
|----------------------------------|---|
| Online Travel Agency Business    | : AirTrip Travel Business, Japan Inbound Travel Business/ Wi-Fi Rental Business, Media Business, Healthcare Business. |
| IT Offshore Development Business | : Lab-type offshore development services, BPO services  |
| Investment Business              | : Investment in growing companies and turnarounds   |

(2) Calculation method of each segment Net Sales, income (loss), liabilities, assets and other items

The accounting process for the reportable business segments is the same as that used for the condensed consolidated financial statements.

(3) Information about segment income (loss) and segment performance

FY9/20 (From October 1<sup>st</sup>, 2019 to September 30<sup>th</sup>, 2020)

(Unit: Million yen)

|                                   | Reportable segments           |                                  |                     |        | Other<br>(Note 1) | Total  | Adjustments<br>(Note 2) | Consolidated Total |        |
|-----------------------------------|-------------------------------|----------------------------------|---------------------|--------|-------------------|--------|-------------------------|--------------------|--------|
|                                   | Online Travel Agency Business | IT Offshore Development Business | Investment Business | Total  |                   |        |                         |                    |        |
| External sales revenue            | 18,794                        | 1,888                            | 558                 | 21,241 | 0                 | 21,241 | —                       | 21,241             |        |
| Intersegment revenue              | —                             | 634                              | —                   | 634    | —                 | 634    | △634                    | —                  |        |
| Total sales revenue               | 18,794                        | 2,523                            | 558                 | 21,875 | 0                 | 21,875 | △634                    | 21,241             |        |
| Segment profits (losses) (Note 3) | △7,544                        | 0                                | △247                | △7,790 | 0                 | △7,790 | △1,204                  | △8,994             |        |
| Financial income                  |                               |                                  |                     |        |                   |        |                         |                    | 9      |
| Financial expenses                |                               |                                  |                     |        |                   |        |                         |                    | △204   |
| Income before income taxes        |                               |                                  |                     |        |                   |        |                         |                    | △9,190 |

(Note 1) The category "Other" includes the business segments not included in the reportable segments, such as advertising revenue.

(Note 2) The category "Adjustments" mainly consists of corporate expenses that do not belong to any reportable segment and intersegment transactions.

(Note 3) The segment profit or loss has been adjusted to the operating income stated in the condensed quarterly consolidated statement of income.

(Note 4) HIKAWA CO., LTD. was excluded from consolidation in the Fiscal Year ending September 30th, 2020, so this company's business is classified as a discontinued business. The above table shows the amount of continuing business excluding discontinued business.



FY9/21 (From October 1st, 2020 to September 30th, 2021)

(Unit: Million yen)

|                                   | Reportable segments                    |  |                        |        | Other<br>(Note 1) | Total  | Adjustments<br>(Note 2) | Consolidated Total |       |
|-----------------------------------|--|--|------------------------|--------|-------------------|--------|-------------------------|--------------------|-------|
|                                   | Online<br>Travel<br>Agency<br>Business | IT Offshore<br>Development<br>Business | Investment<br>Business | Total  |                   |        |                         |                    |       |
| External sales revenue            | 15,570                                 | 1,348                                  | 738                    | 17,658 | 4                 | 17,662 | -                       | 17,662             |       |
| Intersegment revenue              | -                                      | 32                                     | -                      | 32     | -                 | 32     | △32                     | -                  |       |
| Total sales revenue               | 15,570                                 | 1,380                                  | 738                    | 17,690 | 4                 | 17,694 | △32                     | 17,662             |       |
| Segment profits (losses) (Note 3) | 2,561                                  | 519                                    | 820                    | 3,901  | -                 | 3,901  | △743                    | 3,158              |       |
| Financial income                  |  |  |                        |        |                   |        |                         |                    | 43    |
| Financial expenses                |  |  |                        |        |                   |        |                         |                    | △142  |
| Income before income taxes        |  |  |                        |        |                   |        |                         |                    | 3,059 |

(Note 1) The category "Other" includes the business segments not included in the reportable segments, such as advertising revenue.

(Note 2) The category "Adjustments" mainly consists of corporate expenses that do not belong to any reportable segment and intersegment transactions.

(Note 3) The segment profit or loss has been adjusted to the operating income stated in the condensed quarterly consolidated statement of income.

(Per share information)

| FY9/20<br>(from Oct 1st 2019<br>to Sep 30th 2020) |         | FY9/21<br>(from Oct 1st 2020<br>to Sep 30th 2021) |        |
|---|---------|---|--------|
| Shareholders' equity per share (yen)              | 92.21   | Shareholders' equity per share (yen)              | 335.58 |
| Profit per share (yen)                            | △433.80 | Profit per share (yen)                            | 111.61 |
| Fully diluted profit per share (yen)              | △433.80 | Fully diluted profit per share (yen)              | 108.96 |

The basics for the calculation of basic earnings per share and diluted earnings per share is as follows:

|  | FY9/20<br>(from Oct 1st 2019<br>to Sep 30th 2020) | FY9/21<br>(from Oct 1st 2020<br>to Sep 30th 2021) |
|--|---|---|
| Profit per share   |   |   |
| Profit attributable to owners of parent (million yen)                  | △8,692  | 2,361   |
| Amount not attributable to common shareholders (million yen)           | —   | —   |
| Income applicable to common stock (million yen)                        | △8,692  | 2,361   |
| Average number of outstanding common shares during the period (shares) | 20,037,967  | 21,156,494  |
| Fully diluted profit per share   |   |   |
| Adjustment on net income (million yen)                                 | —   | —   |
| Number of common shares increased (shares)                             | 259,091   | 516,017   |
| (of which subscription rights to shares)                               | 229,867   | 516,017   |

|  | FY9/20<br>(from Oct 1st 2019<br>to Sep 30th 2020) | FY9/21<br>(from Oct 1st 2020<br>to Sep 30th 2021) |
|--|---|---|
| Profit from continuing business attributable to owners of parent (million yen)                   | △8,692  | 2,361   |
| Adjustment on net income (million yen)   | —   | —   |
| Profit used to calculate of fully diluted profit per share (million yen)                         | △8,692  | 2,361   |
| Profit from discontinued business attributable to owners of parent (million yen)                 | 445   | —   |
| Profit from discontinued business used to calculate fully diluted profit per share (million yen) | 445   | —   |

|   |            |            |
|---|------------|------------|
| Average number of outstanding common shares during the period (shares)                      | 20,037,967 | 21,156,494 |
| The effect of potential dilutive common shares (shares)                                     | 229,867    | 516,017    |
| Convertible bonds with stock acquisition rights (shares)                                    | 29,224     | —          |
| Average number of outstanding common shares during the period after fully diluting (shares) | 20,297,057 | 21,672,511 |

|                        |         |        |
|------------------------|---------|--------|
| Profit per share (yen) | △433.80 | 111.61 |
| Continuing business    | △456.01 | 111.61 |
| Discontinued business  | 22.21   | —      |

|                                      |         |        |
|--------------------------------------|---------|--------|
| Fully diluted profit per share (yen) | △433.80 | 108.96 |
| Continuing business                  | △456.01 | 108.96 |
| Discontinued business                | 22.21   | —      |

(Note) For fully diluted profit per share, in the previous consolidated fiscal year, potential stocks do not have a dilutive effect due to the exercise of the subscription rights to shares reduces the loss per share for the period.

(Important subsequent events)

Not applicable.